

BETH C. DRAIN, CA CSR NO. 7152

BEFORE THE
FINANCE SUBCOMMITTEE
OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: VIA ZOOM

DATE: DECEMBER 8, 2020
11 A.M.

REPORTER: BETH C. DRAIN, CA CSR
CSR. NO. 7152

FILE NO.: 2020-20

**133 HENNA COURT, SANDPOINT, IDAHO 83864
208-255-5453 208-920-3543 DRAIBE@HOTMAIL.COM**

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I N D E X

ITEM DESCRIPTION	PAGE NO.
OPEN SESSION	
1. CALL TO ORDER.	3
2. ROLL CALL.	3
ACTION ITEMS:	
3. CONSIDERATION OF CIRM ADMINISTRATIVE BUDGET FOR 1/1/21-6/30/21.	3
4. PUBLIC COMMENT.	NONE
5. ADJOURNMENT	21

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DECEMBER 8, 2020; 11 A.M.

CHAIRMAN THOMAS: LET'S CALL THE MEETING
TO ORDER THEN, MARIA. WILL YOU CALL THE ROLL.

MS. BONNEVILLE: STEVE JUELSGAARD.

CHAIRMAN JUELSGAARD: HERE.

MS. BONNEVILLE: JUDY GASSON.

DR. GASSON: HERE.

MS. BONNEVILLE: AL ROWLETT.

MR. ROWLETT: HERE.

MS. BONNEVILLE: OS STEWARD.

DR. STEWARD: HERE.

MS. BONNEVILLE: SUZANNE SANDMEYER.

DR. SANDMEYER: HERE.

MS. BONNEVILLE: JONATHAN THOMAS.

CHAIRMAN THOMAS: HERE.

MS. BONNEVILLE: ART TORRES.

MR. TORRES: HERE.

MS. BONNEVILLE: KRISTINA VUORI.

DR. VUORI: HERE.

MS. BONNEVILLE: THANK YOU. ALL ARE
PRESENT, STEVE.

CHAIRMAN JUELSGAARD: PERFECT. THANK
YOU. SO THE PURPOSE OF THIS MEETING IS TO REVISIT
THE 20/21 BUDGET, PARTICULARLY THE SECOND HALF OF

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1 THE BUDGET THAT RUNS FROM JANUARY THROUGH JUNE OF
2 THE YEAR 2021 SINCE WE ARE ON A HALF-YEAR FISCAL
3 YEAR. SO, AS YOU MAY RECALL, WE BUDGETED FOR THE
4 SECOND HALF OF THE YEAR BASED ON THE ASSUMPTION THAT
5 PROP 14 WOULD NOT PASS. WE TOOK A VERY CONSERVATIVE
6 APPROACH, AND IT WAS BASED UPON A WIND-DOWN
7 SITUATION. AS GOOD FORTUNE WOULD HAVE IT, THAT
8 WASN'T HOW THINGS TURNED OUT. WE'RE STILL IN
9 BUSINESS, AND WE HAVE A LOT TO DO BEFORE US.

10 SO THE STAFF AT CIRM HAVE BEEN BUSY
11 WORKING ON PREPARING A REVISED BUDGET FOR THE SECOND
12 HALF OF THIS FISCAL YEAR, AGAIN STARTING IN JUNE OF
13 2021 RUNNING -- STARTING IN JANUARY 2021 AND RUNNING
14 THROUGH JUNE. AND THIS IS TO TAKE A LOOK AT THAT
15 BUDGET, ADDRESS ANY QUESTIONS OR CONCERNS THE
16 FINANCE SUBCOMMITTEE MAY HAVE. ONCE WE'VE DECIDED
17 THAT IT'S ACCEPTABLE FROM OUR POINT OF VIEW, THIS
18 WILL BE PRESENTED TO THE BOARD WITH OUR
19 RECOMMENDATION FOR APPROVAL.

20 SO, MARIA, WHO'S GOING TO LEAD THE
21 DISCUSSION OF THE BUDGET? I WASN'T CLEAR ABOUT
22 THAT.

23 DR. MILLAN: THANK YOU, STEVE. IT'S GOING
24 TO BE JENNIFER LEWIS, OUR DIRECTOR OF GRANTS
25 MANAGEMENT.

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1 CHAIRMAN JUELSGAARD: GREAT. JENNIFER,
2 THE TABLE IS YOURS.

3 MS. LEWIS: GREAT. LET ME SHARE MY
4 SCREEN. OKAY. CAN EVERYONE SEE THAT?

5 CHAIRMAN JUELSGAARD: YES.

6 MS. LEWIS: THANK YOU, STEVE. GOOD
7 MORNING, EVERYONE. I AM JENNIFER LEWIS. I'M THE
8 DIRECTOR OF GRANTS MANAGEMENT AT CIRM, AND I'M
9 CURRENTLY ACTING AS HEAD OF FINANCE. THANK YOU FOR
10 THE OPPORTUNITY TO PRESENT TO YOU TODAY OUR
11 FINANCIAL UPDATE FOR OUR PROPOSED REVISED BUDGET
12 FROM JANUARY THROUGH JUNE 2021.

13 SO AS STEVE MENTIONED, AS YOU RECALL, IN
14 JUNE THE ICOC APPROVED THE 2020/2021 BUDGET WHICH
15 ANTICIPATED COST TO SUPPORT THE AGENCY'S PLAN FOR A
16 WIND-DOWN. AND WITH THE PASSAGE OF PROPOSITION 14,
17 WE ARE NOW PROPOSING A REVISION TO THIS APPROVED
18 BUDGET TO SUPPORT CONTINUED OPERATIONS OF THE AGENCY
19 OVER THE NEXT SIX MONTHS.

20 SO FOR THE AGENDA TODAY, I WANTED TO FIRST
21 REVIEW BRIEFLY THE PREVIOUS APPROVED 2020/2021
22 BUDGET AND THE MAJOR DRIVERS OF THIS CURRENT BUDGET.
23 AND THEN I'LL PRESENT TO YOU OUR PROPOSED REVISIONS
24 FOR THE SECOND HALF OF THIS FISCAL YEAR FROM JANUARY
25 THROUGH JUNE OF 2021, AND MAJOR DRIVERS FOR THESE

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1 CHANGES, ALONG WITH THE TOTAL PROPOSED REVISED
2 BUDGET.

3 SO, FIRST, LET'S REVIEW THE CURRENT
4 2020/2021 FISCAL YEAR BUDGET THAT WAS APPROVED IN
5 JUNE. AS A REMINDER, AS STEVE MENTIONED, AT THE
6 TIME THIS BUDGET WAS APPROVED, WE HAD UNDER \$50
7 MILLION FOR NEW RESEARCH AWARDS AND WHETHER CIRM
8 WOULD BE REFUNDED UNDER PROPOSITION 14 WAS AN
9 UNKNOWN. THUS, THIS BUDGET WAS PHASED INTO TWO
10 PARTS TO SUPPORT OUR WIND-DOWN PLAN. THE
11 ADMINISTRATIVE BUDGET FOR THE FIRST HALF OF THE YEAR
12 FROM JULY THROUGH DECEMBER WOULD SUPPORT OPERATIONS
13 TO CONTINUE THE COVID 19 AND CURE SICKLE CELL
14 RESEARCH PROGRAMS WITH REMAINING FUNDS, TO FUND NEW
15 AWARDS WITH RETURNED FUNDS AS APPROVED BY THE ICOC,
16 AND TO MAINTAIN THE CURRENT STAFFING LEVELS TO
17 CONTINUE MANAGEMENT OF OUR ACTIVE PORTFOLIO.

18 THE SECOND HALF OF OUR BUDGET FROM JANUARY
19 THROUGH JUNE OF THE FISCAL YEAR SUPPORTED A
20 WIND-DOWN OF THE ORGANIZATION. AND THIS WIND-DOWN
21 AS YOU RECALL, WOULD HAVE BEEN IN TWO PHASES. THE
22 FIRST WOULD HAVE BEEN A SMALL WIND-DOWN AT THE END
23 OF DECEMBER AND THEN AN ADDITIONAL WIND-DOWN IN JUNE
24 2021, RESULTING IN THE CORE STAFF REMAINING TO
25 MANAGE THE PORTFOLIO THROUGH 2023/24.

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1 SO I BRIEFLY JUST WANT TO OUTLINE THE
2 WIND-DOWN COSTS THAT WERE CONSIDERED IN THIS CURRENT
3 APPROVED BUDGET FOR 2020/2021. AGAIN, DUE TO THE
4 PASSAGE OF PROPOSITION 14, CIRM WILL NOT BE ENACTING
5 THIS WIND-DOWN PLAN; HOWEVER, I WANTED TO HIGHLIGHT
6 THE MAJOR DRIVERS OF THIS BUDGET WHICH WERE COSTS
7 ASSOCIATED WITH OUR WIND-DOWN PLAN.

8 A MAJOR COST THAT WE PLANNED TO INCUR IN
9 IMPLEMENTING OUR WIND-DOWN WAS BUDGETED FUNDS FOR A
10 LEAVE BUYOUT. THESE FUNDS WERE BUDGETED IN
11 ACCORDANCE WITH THE STATE OF CALIFORNIA ANNUAL LEAVE
12 PROGRAM AS WELL AS THEIR SEPARATION POLICIES.

13 ANOTHER MAJOR COST THAT WE CONSIDERED IN
14 THIS BUDGET WAS FOR ASSET DISPOSAL IN THE EVENT CIRM
15 WOULD NEED TO CLOSE ITS OFFICES AND RETURN FURNITURE
16 AND EQUIPMENT TO THE STATE.

17 AND, FINALLY, WE HAD PLANS TO RETAIN SOME
18 STAFF TO MANAGE THE VARIOUS ASPECTS OF THESE
19 WIND-DOWN ACTIVITIES, OFF-BOARDING STAFF, ASSET
20 DISPOSAL, PORTFOLIO HANDOFF AND COORDINATION WITH
21 THE VARIOUS STATE AGENCIES, AS WELL AS MAINTAINING
22 ANY DATA AND RECORDS AS WE TRANSITIONED. THUS, THE
23 SALARIES AND ASSOCIATED BENEFITS FOR THESE STAFF
24 COSTS TO SUPPORT THE CLOSE-OUT ACTIVITIES ARE
25 INCLUDED IN THIS WIND-DOWN BUDGET.

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1 HERE'S THE CURRENT 2020/2021 FISCAL YEAR
2 BUDGET. THIS CHART DISPLAYS THE BUDGET IN THE TWO
3 HALVES AS I DESCRIBED. THE FIRST HALF OF THE FISCAL
4 YEAR FROM JULY THROUGH DECEMBER MAINTAIN STAFF
5 LEVELS TO SUPPORT OPERATIONS WITH AN APPROVED BUDGET
6 OF JUST UNDER 7.2 MILLION. AGAIN, WE HAD PLANNED TO
7 HAVE A SMALL WIND-DOWN AT THE END OF DECEMBER. AND
8 SO, THUS, FROM JANUARY THROUGH JUNE, WE WOULD BE
9 PERFORMING THE WIND-DOWN ACTIVITIES, AND THIS
10 APPROVED BUDGET WAS JUST UNDER 5.2 MILLION,
11 RESULTING IN A TOTAL APPROVED BUDGET TO DATE OF
12 \$12.3 MILLION.

13 NOW I'D LIKE TO REVIEW WITH YOU OUR
14 PROPOSED REVISIONS TO THIS BUDGET FOR THE 2020/2021
15 FISCAL YEAR. THIS CHART COMPARES THE CURRENT
16 APPROVED AND PROPOSED BUDGET FOR THE SECOND HALF OF
17 THE YEAR FROM JANUARY THROUGH JUNE. THE FIRST
18 COLUMN DISPLAYS OUR CURRENT APPROVED BUDGET THAT I
19 JUST OUTLINED OF ABOUT 5.2 MILLION. THE SECOND
20 COLUMN DISPLAYS THE PROPOSED REVISED BUDGET FROM
21 JANUARY THROUGH JUNE 2021 TO SUPPORT OUR CONTINUED
22 OPERATIONS OF THE AGENCY, WHICH IS JUST UNDER 8.6
23 MILLION. AS YOU CAN SEE, THE EMPLOYEE EXPENSE
24 CATEGORICAL LEVEL HAS INCREASED BY ABOUT 2.5 MILLION
25 IN THIS PROPOSED BUDGET.

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1 ON THE NEXT SLIDE I WOULD LIKE TO PROVIDE
2 A LITTLE MORE DETAIL ON THIS INCREASE AND WHAT
3 FACTORS INTO THIS INCREASE IN EMPLOYEE EXPENSES.

4 SO THIS SLIDE DISPLAYS THE AGENCY'S
5 BUDGETED FULL-TIME PERSONNEL. AS YOU CAN SEE, IN
6 THE 19/20 FISCAL YEAR, THE BUDGET SUPPORTED 40
7 FULL-TIME POSITIONS. THE CURRENT APPROVED 20/21
8 BUDGET ANTICIPATED AN EMPLOYEE HEAD COUNT BASED ON
9 THOSE TWO HALVES I PREVIOUSLY DESCRIBED. THE JULY
10 THROUGH DECEMBER BUDGETED SALARY AND BENEFITS WERE
11 FOR 33 FULL-TIME EMPLOYEES. AND THEN IN DECEMBER
12 THE AGENCY WOULD HAVE REDUCED HEAD COUNT TO 19
13 EMPLOYEES THROUGH JUNE OF 2121.

14 THIS PROPOSED REVISED BUDGET FROM JANUARY
15 THROUGH JUNE REESTABLISHES THE POSITIONS THAT WERE
16 TO BE ELIMINATED IN DECEMBER, AND IT ADDITIONALLY
17 SUPPORTS SALARIES AND BENEFITS FOR TEN NEW HIRES FOR
18 PREVIOUSLY VACANT POSITIONS THAT HAVE NOT BEEN
19 FILLED SINCE 19/20. AN EXAMPLE OF WHAT HAS BEEN
20 VACANT IS A BUSINESS SERVICE SPECIALIST WHO WOULD BE
21 IN CHARGE OF CONTRACTING AND PROCUREMENT AND
22 FACILITIES. THIS ROLE HAS BEEN VACANT SINCE THE
23 FISCAL YEAR 19/20, AND THE DUTIES THAT WERE ASSIGNED
24 TO THAT PREVIOUS STAFF POSITION WERE ASSIGNED TO
25 CURRENT STAFF IN DIFFERENT AREAS AS WE'RE OPERATING

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1 IN A WIND-DOWN MODE SINCE THE 19/20 FISCAL YEAR.

2 NOW, WITH THE AGENCY CONTINUING
3 OPERATIONS, WE WOULD LIKE TO REOPEN A POSITION SUCH
4 AS A BUSINESS SERVICES SPECIALIST TO SUPPORT THE
5 ORGANIZATION'S ONGOING ACTIVITIES. SO, THUS, THIS
6 BUDGET ACCOUNTS FOR NOT ONLY REESTABLISHING THE
7 POSITIONS THAT WOULD WIND DOWN IN DECEMBER, BUT IT
8 ALSO ACCOUNTS FOR HIRING THESE VACANT ROLES THAT
9 HAVE BEEN VACANT SINCE 19/20.

10 THIS SLIDE DISPLAYS THE PROPOSED REVISED
11 BUDGET FOR THE 2020/2021 FISCAL YEAR. AGAIN, THE
12 FIRST COLUMN DISPLAYS THE JULY THROUGH DECEMBER
13 BUDGET OF ABOUT 6.8 MILLION. YOU WILL NOTICE THIS
14 BUDGET IS SLIGHTLY LESS THAN THE ORIGINALLY APPROVED
15 BUDGET DISPLAYED BEFORE AS IT ELIMINATES THE
16 ANTICIPATED WIND-DOWN COSTS AND ANY TRAVEL THAT DID
17 NOT MATERIALIZE DUE TO THE PUBLIC HEALTH CRISIS AND
18 THE PANDEMIC.

19 THE SECOND COLUMN DISPLAYS THE PROPOSED
20 REVISED BUDGET FROM JANUARY THROUGH JUNE OF 2021
21 WHICH IS JUST UNDER 8.6 MILLION WITH A TOTAL
22 PROPOSED REVISED BUDGET HIGHLIGHTED IN ORANGE OF
23 15.3 MILLION. NEXT TO THIS IS COMPARED TO THE
24 PREVIOUSLY APPROVED BUDGET OF 12.3 MILLION.

25 NOW I'D LIKE TO OUTLINE THE MAJOR DRIVERS

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1 OF THIS PROPOSED 2020/2021 BUDGET. AS MENTIONED,
2 THIS BUDGET PROPOSAL INCREASES EMPLOYEE EXPENSES AS
3 IT REESTABLISHES THE EMPLOYEE HEAD COUNT FALLING
4 INTO TWO CATEGORIES. THE FIRST IS RETAINING
5 POSITIONS NOT ELIMINATED AS A WIND-DOWN PLAN WILL
6 NOT BE ENACTED; AND, SECONDLY, IT BUDGETS SALARIES
7 AND BENEFITS FOR NEW HIRES TO FILL THE CURRENT
8 VACANT ROLES, WHICH TOTAL ABOUT 2.5 MILLION, THE
9 DIFFERENCE FROM THE ORIGINALLY APPROVED BUDGET.

10 ADDITIONALLY THERE'S AN INCREASE IN
11 EXTERNAL SERVICES OF ABOUT ONE MILLION. THERE ARE
12 SEVERAL FACTORS THAT CONTRIBUTE TO THIS INCREASE.
13 THIS BUDGET ACCOUNTS FOR THE AGENCY'S REQUIRED 20/21
14 PERFORMANCE AUDIT. SO THAT INCREASE IN EXTERNAL
15 SERVICES, AS YOU RECALL, CIRM IS REQUIRED TO CONDUCT
16 A PERFORMANCE AUDIT EVERY THREE YEARS. AND 2021 IS
17 A YEAR WHERE WE ARE REQUIRED TO PERFORM THIS
18 ACTIVITY. AND WITH CONTINUED OPERATIONS, WE MUST
19 ISSUE AN RFP EARLY NEXT YEAR. SO THOSE FUNDS ARE
20 ALLOCATED IN THIS BUDGET.

21 ADDITIONALLY, THERE'S AN INCREASE IN
22 OUTSIDE LEGAL COUNSEL. CURRENTLY, AS YOU MAY
23 RECALL, THE LEGAL TEAM CONSISTS OF ONE FULL-TIME
24 EMPLOYEE, AND THE GENERAL COUNSEL ROLE IS VACANT.
25 THUS, DUE TO THE PASSAGE OF PROPOSITION 14, WE

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1 ANTICIPATE THAT THE ICOC AND THE INTERNAL TEAM WILL
2 NEED COUNSEL TO SUPPORT THE IMPLEMENTATION OF THE
3 NEW COMPONENTS OF THE INITIATIVE WHILE CONTINUING TO
4 RETAIN OUTSIDE COUNSEL TO SUPPORT THE ONGOING
5 MANAGEMENT OF OUR AWARDS AND PORTFOLIO.

6 AND, LASTLY, THIS BUDGET ANTICIPATES THAT
7 THE CURRENT SHELTER-IN-PLACE ORDERS AND WORK-AT-HOME
8 AND TRAVEL LIMITATIONS WILL STILL BE IN PLACE.

9 THUS, WE HAVE BUDGETED NO TRAVEL OUTSIDE OF THE
10 OFFICE OF THE PRESIDENT FOR VERY LIMITED, CRITICAL
11 NEEDS ONLY, AND ALL IN-HOUSE MEETING EXPENSES HAVE
12 BEEN REPLACED WITH VIRTUAL MEETINGS.

13 SO HERE LOOKS -- THIS SLIDE LOOKS AT THE
14 19/20 FISCAL YEAR BUDGET COMPARED TO THE CURRENTLY
15 PROPOSED BUDGET THAT WE'RE BRINGING TO YOU TODAY.
16 AND IN 19/20 WE WERE AUTHORIZED TO SPEND ABOUT \$15.6
17 MILLION, AND WE ENDED THE YEAR AT \$13.9 MILLION.
18 AND AS A REMINDER, IN FISCAL YEAR 19/20, WE HAD
19 BEGUN WINDING DOWN OUR OPERATIONS AND WE WERE NOT
20 BACK-FILLING VACANT POSITIONS. THUS, YOU SEE A
21 SAVINGS BETWEEN THE ACTUALS IN THAT YEAR.

22 THIS PROPOSED REVISED BUDGET FOR THE
23 2020/2021 YEAR IS 15.3 MILLION, WHICH IS \$300,000
24 LESS THAN THE 19/20 APPROVED BUDGET. AND I WANTED
25 TO HIGHLIGHT THIS TO NOTE THAT AS WE BEGIN TO WIND

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1 UP THE AGENCY, OUR APPROACH IS TO BE THOUGHTFUL
2 WHILE MAINTAINING COSTS THAT WERE SLIGHTLY BELOW THE
3 INITIAL WIND-DOWN THAT WE STARTED IN 19/20.

4 SO, LASTLY, HERE'S A RECAP. THIS SLIDE
5 COMPARES THE CURRENTLY APPROVED 2020/2021 BUDGET TO
6 THE PROPOSED 2020/2021 BUDGET. WE ARE CURRENTLY
7 AUTHORIZED -- WE HAVE A CURRENT AUTHORIZED BUDGET OF
8 12.3 MILLION FOR THE FISCAL YEAR, WHICH INCLUDES A
9 1.2 MILLION ONE-TIME LEAVE BUYOUT FOR THOSE
10 WIND-DOWN ACTIVITIES I DESCRIBED. THIS PROPOSED
11 REVISED BUDGET IS JUST OVER 15 MILLION, AND IT
12 ANTICIPATES AN INCREASE OF THE EMPLOYEE COSTS DUE TO
13 THE REESTABLISHMENT OF THE POSITIONS OF ABOUT 2.5
14 MILLION.

15 AGAIN, THESE EMPLOYEE EXPENSES CAN BE SEEN
16 IN TWO CATEGORIES. ONE IS THE POSITIONS THAT ARE
17 NOT GOING TO BE ELIMINATED DUE TO NOT ENACTING OUR
18 WIND-DOWN PLAN OF ABOUT 1.5 MILLION AND THE SECOND
19 IS FOR NEW HIRES TO FILL VACANT POSITIONS, WHICH IS
20 JUST UNDER \$1 MILLION.

21 ADDITIONALLY, THERE IS A \$1 MILLION
22 INCREASE IN EXTERNAL SERVICES DUE TO THE AGENCY'S
23 REQUIREMENT TO CONDUCT THE 2021 PERFORMANCE AUDIT AS
24 WELL AS FOR LEGAL COUNSEL SERVICES THAT WE
25 ANTICIPATE OVER THE NEXT SIX MONTHS.

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1 AND, LASTLY, THIS REVISED BUDGET REQUEST
2 IS JUST OVERALL 2 PERCENT LOWER THAN THE 19/20
3 AUTHORIZED BUDGET. AS AN AGENCY, AS MENTIONED, IN
4 19/20 WE WERE ALREADY OPERATING IN A WIND-DOWN MODE.
5 AS WE WIND UP, WE ARE BEING THOUGHTFUL IN
6 MAINTAINING OUR COSTS. SO OVER THE NEXT FEW YEARS,
7 WE WILL CONTINUE TO WIND UP THE AGENCY. AND THIS
8 COMMITTEE WILL BE SEEING THOSE BUDGETS IN THE FUTURE
9 STARTING NEXT YEAR IN 2021/2022.

10 AT THIS TIME WE'D LIKE TO REQUEST THAT THE
11 FINANCE SUBCOMMITTEE APPROVE THE RECOMMENDED REVISED
12 2020/2021 BUDGET TO THE ICOC. AND AT THIS TIME I'M
13 HAPPY TO TAKE ANY QUESTIONS RELATED TO THIS REVISED
14 BUDGET.

15 CHAIRMAN JUELSGAARD: THANK YOU,
16 JENNIFER. SO DO ANY MEMBERS HAVE ANY QUESTIONS OR
17 COMMENTS?

18 DR. VUORI: I HAVE JUST SORT OF A
19 PRACTICAL QUESTION AS TO WHERE ARE THE MONIES FOR
20 THIS BUDGET GOING TO COME FROM? ARE WE STILL UNDER
21 THE PROP 71, OR IS THIS ALREADY PROP 14, AND ARE
22 THERE ANY COMPLICATIONS IF THE ANSWER IS THE LATTER?

23 MS. LEWIS: THESE FUNDS ARE UNDER THE
24 REMAINING ADMINISTRATIVE BUDGET FOR PROP 71. AS YOU
25 MAY RECALL, WE HAD FUNDS BUDGETED THROUGH 2023/2024

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1 TO MAINTAIN STAFF AT A PART-TIME BASIS. SO WE ARE
2 USING THOSE FUNDS FOR THE SIX MONTHS.

3 DR. VUORI: THANK YOU.

4 CHAIRMAN THOMAS: KRISTINA, I MIGHT ADD ON
5 TOP OF THAT JUST FOR EVERYBODY'S BENEFIT AT SUCH
6 TIME AS WE NEED NEW FUNDING, WHICH WE WILL IF THE
7 SCIENCE SUBCOMMITTEE AND THE BOARD APPROVES
8 REOPENING CERTAIN OF OUR PROGRAM ANNOUNCEMENTS FOR
9 CORE PROGRAMS, WE'LL NEED NEW FUNDING IN THE SPRING.
10 AND JENN AND I SPOKE TO THE STATE TREASURER'S OFFICE
11 COUPLE WEEKS AGO TO MAKE SURE THAT WE WERE BACK ON
12 TRACK WITH THE PROCESS OF HOW WE GET THOSE FUNDS
13 RELEASED, WHICH IS WE GO TWICE A YEAR TO THE
14 DEPARTMENT OF FINANCE AND THE GOVERNOR'S OFFICE WITH
15 A LIST OF ANTICIPATED NEEDS FOR THE ENSUING SIX
16 MONTHS. THEY GO OVER THAT WITH US. AND ONCE THEY
17 HAVE SIGNED OFF, THEY DIRECT THE STATE TREASURER TO
18 ISSUE BONDS AS PART OF THEIR SEMIANNUAL BOND
19 ISSUANCE ON BEHALF OF VARIOUS STATE AGENCIES THAT
20 TAKE PLACE IN THE SPRING AND THE FALL.

21 SO AT SUCH TIME AS WE ARE LIKELY TO NEED
22 FUNDS FOR THE NEWLY RAMPED-UP CLIN, TRAN, AND DISC
23 PROGRAMS, THAT MONEY WILL COME OUT OF NEW MONEY FROM
24 THAT SPRING BOND ISSUE THAT THE TREASURER UNDERTAKES
25 ON OUR BEHALF. SO WE ARE SEAMLESSLY SET UP TO

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1 PROCEED HERE BOTH ON ADMINISTRATIVE AND ON THE
2 RESEARCH SIDE TO CONTINUE APACE WITH PROGRAMS UNDER
3 THE NEW PROP 14.

4 DR. VUORI: THANKS, JENN AND J.T.

5 CHAIRMAN JUELSGAARD: J.T., WHY DON'T YOU
6 JUST SPEAK A MINUTE TO ACTUALLY KRISTINA'S QUESTION,
7 BUT A LITTLE EXPANSIVE. SO WE WERE ACTUALLY ABLE TO
8 INCREASE THE NUMBER OF EMPLOYEES WE HAVE. THERE'S A
9 LIMIT SET IN PROP 14 THAT'S GREATER THAN WE'VE BEEN
10 WORKING WITH, WHICH IS AROUND 55. AND THEN THERE'S
11 ALSO AN ADMINISTRATIVE COST CAP OF 3.5 PERCENT, IF I
12 READ IT CORRECTLY. I'M NOT SURE HOW THAT EQUATES TO
13 WHAT WE HAD BEFORE, BUT JUST THE ROAD GOING FORWARD
14 IN TERMS OF MONIES AVAILABLE FOR ADMINISTRATIVE
15 PURPOSES. IF YOU COULD JUST ADDRESS THAT AND WHAT
16 EXPECTED HEAD COUNT AND THINGS OF THAT SORT.

17 CHAIRMAN THOMAS: WELL, I THINK THE MONEY,
18 ONCE WE GET THROUGH THAT ADMINISTRATIVE FUND
19 REMAINING MONEY THAT HAD BEEN SET ASIDE THAT JENN
20 REFERRED TO, WE'LL THEN BE GETTING PART OF THE
21 SEMIANNUAL BOND ISSUANCE THAT WILL COME OUT FOR OUR
22 ADMINISTRATIVE FUNDING THEREAFTER FOR OUR SO-CALLED
23 SMALL BUCKET. SO THAT WILL BE MUCH AS IT ALWAYS HAS
24 BEEN UP TO THIS POINT.

25 IN TERMS OF THE NUMBER OF EMPLOYEES THAT

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1 WE ULTIMATELY LAND ON, THAT'S GOING TO BE A FUNCTION
2 OF A LOT OF DISCUSSION BY THE TEAM AND
3 RECOMMENDATIONS TO THE BOARD FOR WHICH POSITIONS TO
4 FILL GOING FORWARD. SO THE BOARD WILL HAVE THE
5 ULTIMATE SAY IN THAT. I DON'T BELIEVE AT THIS STAGE
6 WE HAVE UP TO THAT 70-PERSON NUMBER TO HAVE
7 ASPIRATIONALLY, BUT WE HAVE NOT REMOTELY GOTTEN THAT
8 FAR YET. MARIA MILLAN, WOULD YOU LIKE TO SPEAK TO
9 THAT?

10 MR. TORRES: ALSO ON THAT POINT, THAT
11 NUMBER, STEVE, WAS INCREASED IN 2010 WITH
12 LEGISLATION WHICH JAMES AND I WORKED ON WITH SENATOR
13 ALQUIST AT THE TIME.

14 CHAIRMAN JUELSGAARD: MARIA -- WELL, I
15 CAN JUST INTERDICT HERE FOR A MOMENT. I JUST WANTED
16 THE BOARD TO BE AWARE OF THE FACT THAT THERE ARE A
17 COUPLE OF THINGS THAT WERE IN PROP 14 THAT AFFECT
18 PROSPECTIVELY THE BUDGET THAT WE'VE JUST BEEN
19 TALKING ABOUT BOTH IN TERMS OF DOLLARS AND
20 EXPECTATION OF THE POTENTIAL EMPLOYEE BASE IN THE
21 ORGANIZATION.

22 CHAIRMAN THOMAS: YES.

23 CHAIRMAN JUELSGAARD: ALSO THE NOTION
24 THAT WE'LL HAVE UP TO 15 EMPLOYEES IN THE AREA OF
25 AFFORDABILITY AND ACCESSIBILITY AS A WHOLE NEW AREA

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1 THAT CIRM IS GOING TO FIND ITSELF INVOLVED WITH,
2 ALTHOUGH THAT ALL HAS TO BE WORKED OUT. IT WILL BE
3 A CHANGING ORGANIZATION IN A NUMBER OF WAYS AS WE GO
4 FORWARD. THIS IS JUST REALLY GETTING STARTED ON
5 THAT.

6 CHAIRMAN THOMAS: YES, THAT'S RIGHT.

7 CHAIRMAN JUELSGAARD: ARE THERE ANY OTHER
8 QUESTIONS OR COMMENTS ON THE BUDGET AS PRESENTED?

9 DR. MILLAN: STEVE, IF I MAY, JUST TO
10 ANSWER CHAIRMAN THOMAS' QUESTION. SO WE ARE IN THE
11 MIDST OF WORKING ON A STRATEGIC PLAN, AND THE IDEA
12 WOULD BE THAT WHEN WE HAVE A STRATEGIC PLAN AT A
13 POINT WHERE IT CAN BE BROUGHT TO THE BOARD FOR
14 DISCUSSION PARTNERED WITH THAT WILL BE A PLAN IN
15 TERMS OF WHAT THE ORGANIZATIONAL NEEDS WILL BE WITH
16 RESPECT TO PERSONNEL AND CAPABILITIES, BUT ALSO WHAT
17 THE RAMP-UP PLAN COULD LOOK LIKE BASED ON THAT
18 STRATEGIC PLAN.

19 MR. TORRES: WHAT STEVE IS REFERENCING IS
20 PROP 14 STATUTE WHICH WE HAVE TO BE VERY CLEAR
21 INCLUDES AN ADDITIONAL 15 EMPLOYEES FOR A TOTAL OF
22 85 UNDER THE STATUTE. THAT 15, OF COURSE, WILL COME
23 FROM THE WORKING GROUP WORK.

24 CHAIRMAN JUELSGAARD: MY POINT WAS SIMPLY
25 THAT THIS WILL BE AN EVOLVING ORGANIZATION.

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1 MR. TORRES: RIGHT.

2 CHAIRMAN JUELSGAARD: WE'LL PROBABLY BE
3 SIGNIFICANTLY LARGER THAN IT IS NOW WITH A BROADER
4 RANGE OF RESPONSIBILITIES. SO THAT'S WHAT WE'RE
5 GOING TO WIND UP SEEING, NOT IMMEDIATELY, BUT OVER
6 TIME.

7 MR. TORRES: YES. YES.

8 CHAIRMAN JUELSGAARD: ALL RIGHT. ANY
9 OTHER QUESTIONS OR COMMENTS ABOUT WHAT'S BEEN
10 PRESENTED? IF NOT, IS THERE A MOTION TO APPROVE THE
11 RECOMMENDATION OF THIS BUDGET TO THE ICOC AT THE
12 UPCOMING ICOC MEETING?

13 MR. TORRES: SO MOVED.

14 CHAIRMAN JUELSGAARD: IS THERE A SECOND?

15 DR. GASSON: SECOND.

16 CHAIRMAN JUELSGAARD: ALL RIGHT. IT'S
17 BEEN MOVED AND SECOND THAT WE RECOMMEND THIS BUDGET
18 TO THE ICOC. ANY ADDITIONAL QUESTIONS, COMMENTS?

19 DR. GASSON: I WOULD JUST THANK JENNIFER.
20 A VERY CLEAR PRESENTATION. THANK YOU.

21 CHAIRMAN JUELSGAARD: HERE. HERE. YES.
22 VERY GOOD. ABSOLUTELY.

23 WELL, IF THERE ARE NO OTHER COMMENTS OR
24 QUESTIONS, THEN, MARIA, WILL YOU CALL THE ROLL.

25 MS. BONNEVILLE: SURE.

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1 MR. HARRISON: JUST TO INTERJECT, I ASSUME
2 WE HAVE NO PUBLIC COMMENT.

3 MS. BONNEVILLE: THERE ARE NO HANDS
4 RAISED.

5 STEVE JUELSGAARD.

6 CHAIRMAN JUELSGAARD: YOU WERE THE ONE
7 RESPONSIBLE FOR BRINGING THE PUBLIC COMMENTS IN.
8 SO, ANYWAY.

9 MR. TORRES: I FAILED MY DUTY.

10 CHAIRMAN JUELSGAARD: YOU DID.

11 YES.

12 MS. BONNEVILLE: JUDY GASSON.

13 DR. GASSON: YES.

14 MS. BONNEVILLE: AL ROWLETT.

15 MR. ROWLETT: YES.

16 MS. BONNEVILLE: OS STEWARD.

17 DR. STEWARD: YES.

18 MS. BONNEVILLE: SUZANNE SANDMEYER.

19 DR. SANDMEYER: YES.

20 MS. BONNEVILLE: JONATHAN THOMAS.

21 CHAIRMAN THOMAS: YES.

22 MS. BONNEVILLE: ART TORRES.

23 MR. TORRES: AYE.

24 MS. BONNEVILLE: KRISTINA VUORI.

25 DR. VUORI: YES.

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MS. BONNEVILLE: MOTION CARRIES.

CHAIRMAN JUELSGAARD: GREAT. WONDERFUL.
JENNIFER, THANK YOU. THAT WAS A GREAT PRESENTATION.

ARE THERE ANY OTHER TOPICS BEFORE THE
FINANCE SUBCOMMITTEE BEFORE WE END THIS SESSION?
HEARING NONE, THEN THE MEETING IS ADJOURNED.

MR. TORRES: GREAT WORK. THANKS.

(THE MEETING WAS THEN CONCLUDED AT 11:26 A.M.)

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE ZOOM PROCEEDINGS BEFORE THE FINANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON DECEMBER 8, 2020, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CA CSR 7152
133 HENNA COURT
SANDPOINT, IDAHO
(208) 290-3543